

**Department of Health and Human Services
Health Care Financing Administration
Operational Policy Letter #113
OPL 2000.113**

Date: January 27, 2000

To: Current M+C Organizations (M+CO)
SHMO I & II

Subject: Change in Effective Dates for Medicare+Choice (M+C) Open Enrollment Periods

Effective Date: **January 1, 2000**

NOTE: This OPL replaces OPL 2000.111, which was issued January 6, 2000. It also replaces section 3.3.1-3.3.3 of OPL99.100, which was issued August 9, 1999.

Section 502 of the Balanced Budget Refinement Act (BBRA) amends section 1851(f)(2) of the Social Security Act, which sets the effective dates for only those voluntary elections made during the M+C Open Enrollment Period (OEP). Beginning January 1, 2000, all completed elections (i.e., enrollments and disenrollments) made on or before the 10th day of the month are effective the first day of the first calendar month following the date the election is made, and all elections made after the 10th day of each month are effective the first day of the second calendar month after the election is made.

NOTE: This statutory change **ONLY** affects voluntary elections made during the Open Enrollment Period. Effective dates for involuntary disenrollments, employer group retroactive enrollments and disenrollments, the November Annual Election Period, the Special Election Periods (*including the SEP for Employer Group Health Plans and the SEP for Permanent Moves*), and the Initial Coverage Election Period were not changed by the BBRA. In addition, *this OPL does not change policies on cancellations. Policies for these elections and actions remain the same and are outlined in OPL 99.100.*

HCFA is prepared to set the new effective dates for elections beginning January 1, 2000 to meet the new statutory requirements. We recognize that this statutory change will result in many M+COs having to make internal system changes, and that over the next few months, M+COs will be at various points of “freezing” their information systems from modifications due to Y2K compliance requirements.

NOTE: This statutory change will not result in any new system transaction codes or changes in the file layout or instructions at this time.

We recognize that M+COs must accomplish several tasks in addition to internal system changes in order to successfully implement this new provision in the law. These tasks may include, but are not limited to:

1. Modification of the Calendar Year 2000 Evidence of Coverage (EOC).

NOTE: Sections 2 and 8 of the Model EOC were revised in accordance with the BBRA and are posted on the HCFA website on January 7, 2000 to facilitate timely approval;

2. Modification of any applicable enrollment & disenrollment letters;
3. Training of sales, enrollment, and call center staff, including revision of any call center scripts; and,
4. Notification to all currently enrolled members of the changes in effective dates. At a minimum, this should be accomplished through an addendum or a cover letter that accompanies the EOC. M+COs may publicize this new information through a newsletter or other member materials **in addition** to but **not instead of** an addendum or cover letter to the EOC. Notification must be made before May 10, 2000, and in accordance with the requirements outlined in this OPL.

In light of the operational difficulties reported to us by a substantial number of M+COs with complying with the new BBRA time frames, and the estimate by these organizations that they will be able to complete necessary changes within 90 days, we have determined that HCFA will not take any actions to enforce compliance with the new effective dates as long as M+COs achieve compliance with the requirements in this OPL by May 10, 2000. For monitoring visits beginning on or after May 11, 2000, HCFA will determine compliance through the routine monitoring process.

Please keep in mind that an election is “made” when it is received by the M+CO (42 CFR 422.60(d)) and when it is complete (refer to the definition of “Receipt of Election” in OPL 100, section 1.0). Also, as indicated in section 1.0 of OPL 99.100, the term “election” describes either an enrollment or disenrollment action.

Example 1: If a completed enrollment form is received by the M+CO on June 10, 2000, the effective date is July 1, 2000. If that same completed enrollment form were to be received on June 11, 2000, it would be effective on August 1, 2000.

Example 2: If a completed written request to disenroll is received by the M+CO July 8, 2000, the effective date is August 1, 2000. If that same written request were to be received on July 20, 2000, the effective date would be September 1, 2000.

HCFA’s system processing cutoff dates are not affected by this statutory change. As has been the case since the implementation of the Balanced Budget Act, the date a completed election is received by an M+CO determines the effective date; the system processing cutoff date does not determine the effective date. However, M+COs are encouraged to submit all transactions as early as possible to ensure timely payment. Time frames requirements for submitting enrollment and disenrollment transactions are outlined in sections 4.4 and 5.4 of OPL 99.100.

Example 3: If a M+CO receives a completed enrollment form on June 2, then the effective date of the enrollment is July 1. The M+CO has up to 30 days from June 2 to submit the transaction (OPL 99.100, section 4.4). However, as shown below, submission of the transaction prior to the June HCFA systems processing

cutoff date (per the GHP system monthly operating schedule for CY 2000) will ensure more timely payment for the July 1 effective date.

- If the transaction is submitted *prior to* the June systems cutoff date, payment based on the July 1 enrollment will be received *prospectively* in the July 1 payment.
- If the transaction is submitted *after* the June systems cutoff date, payment based on the July 1 enrollment will be received *retroactively* in the August 1 payment.

As always, it is the M+CO's responsibility to communicate the actual enrollment and disenrollment effective dates to the beneficiary.

We will need to make conforming changes to 42 CFR 422.68(c) and appropriate sections of OPL 99.100 to reflect this statutory change in OEP effective date requirements. We will also be providing the State Health Insurance Programs (SHIPs), the Social Security Administration (SSA), the HCFA Center, and Medicare Carriers and Fiscal Intermediaries, and other key business partners involved in beneficiary outreach, with question and answer scripts, to ensure a consistent message regarding these changes is communicated to beneficiaries. In addition, HCFA will communicate with SSA about its role in processing disenrollments and explore to the maximum extent possible how to achieve as seamless a process as possible.

Changes in Evidence of Coverage and other Beneficiary Notification Materials

M+COs may notify members of the changes in the effective dates via a newsletter or other member materials. However, M+COs are still required to amend their EOCs and provide revised EOCs (or an addendum) to their members.

If an M+CO's CY 2000 EOC has already been approved and printing has begun, the organization will need to prepare an addendum or cover letter that explains the changes outlined in this OPL. The organization must submit the addendum or cover letter to its RO for approval before dissemination. If an M+CO's CY 2000 EOC had not yet been approved, the organization can correct the EOC to reflect the changes outlined in this OPL prior to final RO approval, or, as outlined below, can choose to issue the changes via an RO-approved addendum.

M+COs that have already mailed their EOC to members must send an addendum to members before May 10, 2000. The addendum may be mailed with other member materials and need not be sent in a separate mailing.

M+COs that have not yet mailed the EOC to members have two options. They can:

Incorporate effective date revisions into the EOC before it is approved and then send the EOC to members by the March 15, 2000 deadline; or,

Continue with the EOC approval process, mail the EOC without the effective date revisions by the March 15, 2000 deadline, and then send an addendum to members before

May 10, 2000. The addendum may be mailed with other member materials and need not be a separate mailing.

For your convenience, Attachment A includes changes to the Model Calendar Year 2000 EOC. To view how these changes are incorporated into section 2 and 8 of the EOC, refer to the Medicare Managed Care Marketing section of the HCFA Web site and choose the link to OPL 99.108.

If an M+CO uses disenrollment letters that include an explanation of effective dates that are now inaccurate due to this statutory change, then the organization must work with its RO to gain approval of letters with accurate information. For example, if the M+CO used the effective date terminology in Exhibits 9 and 10 of OPL 99.100, it will need to modify its letters to reflect the changes outlined in this OPL. Exhibits 9 and 10 of OPL 99.100 will be modified to reflect this statutory change in OEP effective date requirements.

Attachment

Contact: HCFA Regional Office Managed Care Staff.

This OPL was prepared by the Center for Beneficiary Services.

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Attachment A – Model CY 2000 EOC Changes

Section 2, Eligibility, Enrollment, and Effective Date

When [name of M+C Plan] Coverage Begins

The Effective Date of enrollment in [name of M+C Plan] will depend on when [name of M+CO] receives your signed and completed enrollment form . [Name of M+CO] will send you a letter that tells you when your coverage begins.

In general, completed enrollment forms must be received by [Name of M+CO] no later than the 10th of the month to be effective the first of the next month. Completed enrollment forms received after the 10th of the month will be effective the second month after your form is received by [Name of M+CO]. For example, if [Name of M+CO] receives your completed enrollment form on June 10, your Effective Date would be July 1. If your form was received on June 11, your Effective Date would be August 1.

[M+COs may choose one of the following alternatives:]

1. There are exceptions to these rules. To obtain detailed information concerning these exceptions, you may call Member Services at (xxx) xxx-xxxx.

OR

2. Exceptions to this general rule include, but are not limited to, the following:

Initial Election Period. In the case of an enrollment when you first become entitled to both Part A & Part B of Medicare, your enrollment will be effective as of the first day of the month that you have coverage under both Medicare Part A and Part B.

Annual Election Periods. Enrollment-elections received during the Annual Election Period in November are usually effective on January 1. However, if [name of M+C Plan] is "open" or has an Open Enrollment Period during the month of November, then completed enrollment forms received between November 1 and November 10 can be effective December 1.

From the Effective Date forward, [all remaining text stays the same]

Section 8 - Disenrollment From [name of M+C Plan]

Voluntary Disenrollment

Paragraph 2 is revised as follows:

The date of your disenrollment will depend on when [name of M+CO] receives your written request to disenroll.

In general, written requests to disenroll must be received by [Name of M+CO] no later than the 10th of the month to be effective the first of the next month. Written requests to disenroll that are received after the 10th of the month will be effective the second month after your request is received by [Name of M+CO]. For example, if [Name of M+CO] receives your disenrollment request on June 10, your Effective Date would be July 1. If your request was received on June 11, your Effective Date would be August 1.

There is an exception to this general rule. Disenrollment requests received between November 1 and November 10 are usually effective December 1. However, since the month of November is also the Annual Election Period, you can ask for a January 1 effective date. (NOTE TO M+COs: Where applicable, M+COs should indicate which section of the EOC provides information about other exceptions that may apply.)

[Name of M+CO] will send you a letter that tells you when your disenrollment begins.